



Stanford eCorner

Seizing the Economic Bull

Tim Draper, *Draper Fisher Jurvetson*

February 25, 2009

Video URL: <http://ecorner.stanford.edu/videos/2192/Seizing-the-Economic-Bull>

The economic depression of early 2009 is a great boon for venture capitalists, and an even better time for aspiring entrepreneurs. So says Tim Draper, Founder and a Managing Director of Draper Fisher Jurvetson, who points out that some of the globe's most dominant brands were initiated during depressions and recessions, benefiting from thinner competition and a world afraid to move. If future business leaders have an idea on how to flip the status quo, this, says Draper, is the time to pursue it.



Transcript

Tim Draper: So I think this is one of the great opportunities of the world, that we've ever had in our lifetime. First of all, there are natural cycles where there tends to be job creation, job destruction, job creation, job destruction. And those same cycles actually go with the private equity business who grows. Then there's job destruction and then the venture capital business, and that grows and there's job creation and then it needs job destruction, it needs job creation. And now clearly is the time for venture capitalists to really whip into shape. It's a great time for us and it's a really great time for you. In fact, I look at this - if you were studying during this time, basically an economic nuke went off in the world. And now is the opportunity of a lifetime to go after something that you've always wanted to go after. You always thought was done the wrong way. And go get it because it's the great entrepreneurs that rise to occasions like this.

In fact, the greatest companies of the world were all started in depressions and recessions. And that includes GE, IBM, Microsoft, Shell Oil, Johnson and Johnson, Merck, you name it. Any big, huge, successful, 60-year-old company started in recession or depression. It is one of those times when the world is scared, they don't know what to do, a lot of people are laid off their jobs and you being - I mean, this is Stanford, right? And Stanford has gotten a lot better since I was here. And with great - this is a Spiderman quote - "With great power comes great responsibility." You have the great mental powers out there. I can feel them. I'm feeling it. And you have great responsibility to go out there and lead the charge in a new direction. To build a business that creates profits, employs people and grows, and does something in a new way, where you take something that's been done the same way for years and years and years. And you turn it on its ear with a new technology or a new business twist or just a new group of people and you go after it in a new way.

It is your responsibility right now, go out there and do that.